

**RESOLUTION SUPERSEDING RESOLUTION #8571  
ADOPTING A POLICY SPECIFYING THE LEVEL OF FUND BALANCE IN THE  
GENERAL FUND AND THE LEVEL OF OPERATING RESERVES IN THE  
WATER AND SEWER FUND**

Whereas, the City Council has previously adopted a policy specifying a desired minimum level of fund balance to be maintained within the General Fund; and

Whereas, changes in governmental accounting standards have made it necessary to modify this policy; and

Whereas, the North Carolina Local Government Commission, the Government Finance Officers Association and all three bond rating agencies strongly recommend that local governments adopt such a policy; and

Whereas, a policy specifying an appropriate level of reserves within the Water and Sewer Fund is also an indicator of prudent financial management; now therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURHAM:

1. Policy #FP 112.01 Fund Balance Policy for General Fund and Operating Reserve Requirement for Water and Sewer Fund (Attached) is hereby adopted as the City's policy regarding fund balance and operating reserve levels.
2. The City Manager is directed to prepare all future budgets in conformance with this policy.